



Proposed Annual Budget Highlights

City of San Antonio FY 2003-2004



Budget again eliminates shortfall, targets Council priority issues

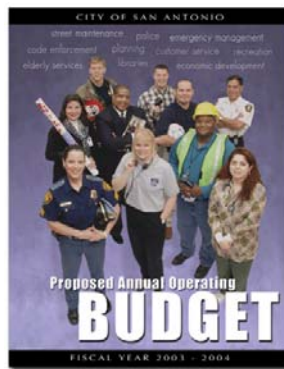
The \$1.53 billion Proposed Budget eliminates a projected \$28.6 million shortfall in FY 2004 without a property tax increase for the eleventh straight year.

The challenging shortfall was eliminated through a combination of reductions and redirections designed to minimize the adverse impact on City services. Despite fiscal challenges, the proposal also provides for targeted investments in City Council priority areas such as infrastructure, public safety, neighborhoods and elderly services.

Early this year, a continuing decline in national economic conditions and lower-than-expected sales tax revenues and hotel/motel tax receipts prompted the City to initiate a mid-year reduction plan and put together a comprehensive Inventory of City services to facilitate decision-making during the upcoming budget process. Additionally, the City Manager initiated a Bottom Line Strengthening program that sought ideas from employees on ways to improve efficiencies and generate revenue through the delivery of services. Two open houses then invited public input on budget priorities.

Following the annual Five-Year Financial Forecast in June, City Council met in a Goals and Objectives Worksession to determine the City's priorities for the coming fiscal year before staff began preparing the budget. More than 270 General Fund services were divided into three tiers to determine the first services to be analyzed for reduction.

While the budget proposal includes creative reductions and redirections, it also provides for improvements and policy considerations in targeted areas with the help of one-time revenues from City Public Service. Higher efficiency street laying equipment for City crews will increase street maintenance productivity. Police patrol availability would improve as a result of a policy change for reporting traffic accidents. Creation of an Office of Elderly Affairs is proposed to serve as a central point for policy development and communication on elderly issues. In neighborhoods, the City will step up enforcement against unpermitted garage sales. One-time resources also are directed to economic development initiatives, fighting hunger and homelessness, and customer service issues.



FY 2004 PROPOSED GENERAL FUND AVAILABLE RESOURCES
DISTRIBUTED OVER MAJOR SPENDING AREAS (in millions)



General Fund

- ▣ Resources expected to support General Fund services in FY 2004 are **\$639.4 million**.
- ▣ Sales tax (\$142.9 million), CPS payments (\$177.7 million) and property taxes (\$160.5 million) account for approximately **\$481.1 million**, or 75.2% of total General Fund resources.
- ▣ Other resources (\$158.4 million) include revenue from licenses and permit fees, Municipal Court fines, business and franchise taxes, and other sources.

- ▣ Appropriations for Police, Fire/EMS, Public Works and Parks and Recreation consume all property tax revenue, all CPS revenue and most sales tax revenue.
- ▣ The City receives 14 percent of all CPS gas and electric customer payments.
- ▣ The proposed tax rate of 57.854 cents per \$100 valuation places San Antonio as the third lowest of the major Texas cities.
- ▣ Proposed General Fund expenditures are **\$639.4 million**, or 6.3% over the FY 2003 Adopted Budget.

August 19 - September 11 City Council Budget Worksessions-Tuesdays and Thursdays
September 2 7:00 p.m. City Council first public hearing on the FY 2004 Proposed Budget
September 4 3:00 p.m. City Council Tax Rate public hearing
September 18 3:00 p.m. City Council second public hearing, adoption of budget



Proposed Reductions & Adjustments

Numbers in parentheses (#) represent placement on City Council's ranking of 277 City services.

Bottom-Line

Strengthening Proposals

Vehicle Usage and Acquisition (#273)

❑ Reduce the number of low usage City vehicles supported by all funds by 108, saving **\$1,504,227**.

❑ Reduce the City's Rent of Rolling Equipment (the assessment that ensures funding for regular replacement of vehicles) rate by 42% in FY 2004 for a total savings of **\$6.7 million**.

Fiscal & Personnel Management (#228)

❑ Reduce the number of cellular phones, saving **\$125,592** in all funds.

❑ Create a Parking Attendant position to collect a \$3 charge for each vehicle parked in the Municipal Courts lot.

After recovering the cost of the position, an estimated **\$159,073** in added revenue will be realized in the General Fund.

Prosecution (#35)

❑ Establish a new division in the City Attorney's Office to focus on enforcement actions against property owners failing to comply with City Code and aggressively recover damages from persons or entities that breach contracts with the City.

Intensive Code Enforcement (#8)

❑ Increases the garage sale permit fee from \$4 to \$15 and the number of permitted garage sales from two to three per year, generating **\$481,245** to support increased enforcement

against unpermitted garage sales.

Permanent Mid-Year Reductions

Staff recommends a total of **\$1.9 million** in mid-year reductions be continued in FY 2004. Many of these reductions include management of vacant positions and reduction of administrative support budgets. There will be no adverse impact to service delivery by making these reductions permanent. Below are a few of the reductions:

Central Library (#148)

❑ Eliminate seven vacant Librarian positions, saving **\$323,929**.

Patrol (#6)

❑ Realize **\$125,735** in overtime savings for the Downtown Foot and Bike Patrol due to the change from three 8-hour shifts to two 10-hour shifts.

Tier Three Reductions

\$1.89 million in reductions have been developed based on services related to the lower third or Tier Three of the City services priority list ranked by City Council during this summer's Goals and Objectives Worksession. Many of the reductions include elimination or management of vacant positions, reductions in printing expenses and office supplies, and redirecting personnel. Some of the reductions include:

Fiscal & Personnel Management (#228)

❑ Reduce the office supply budget in all departments by 25%, saving **\$318,144**.

❑ Delay the start of a police cadet class by two months, saving **\$260,900**.

Tier Two Reductions

\$522,740 in reductions have been developed based on services related to the middle third or Tier Two of the City services priority list ranked by City Council. Some of the reductions include:

Urban smARTS (#147)

❑ Eliminate General Fund contribution for contractual position providing coordination services for the Urban smARTS program, saving **\$77,820**.

Special Facilities (#164)

❑ Keep vacant two positions at the Tower of Americas during the upcoming renovation, saving **\$38,847**.

Delegate Agencies (#136)

❑ Reduce by 3% the General Fund budget for contributions to delegate agencies, with the exception of agencies providing elderly and disabled services, saving **\$146,677**.

Branch Libraries (#125)

❑ Achieve **\$28,228** by reducing public service hours at the Reagan High School branch library.

❑ Reduce the library materials budget by 3% in FY 2004, saving **\$66,442**.

Proposed Redirections

The Proposed Budget recommends several redirections involving the reallocation of existing resources, including:

Patrol (#6)

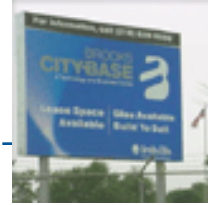
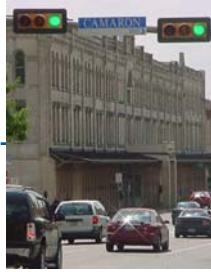
❑ Increase patrol availability by establishing a new policy similar to other major cities. This policy would allow an officer dispatched to the scene of a traffic accident to determine the accident's degree of severity, and if minor, provide the necessary reporting forms to the parties involved and depart the scene. The change would, in effect, release 16.6 officers to more direct crime fighting efforts and increase the department's patrol availability factor.

Comprehensive Nutrition Project (#16)

❑ Establish an Office of Elderly Affairs in the Department of Community Initiatives to serve as a central point of dissemination and communication of information on available senior services in San Antonio and Bexar County.

Light Industry Development (#69)

❑ Redirect two current positions to the Economic Development Department to augment efforts to coordinate, develop and implement programs related to education, workforce and economic development.



Proposed One-Time Improvements

\$26.19 million in one-time improvements are proposed, supported by one-time revenues from CPS and other sources.

Streets Maintenance and Construction (#1)

□ Apply **\$1.875 million** of one-time CPS revenues toward improving efficiency and capacity of street maintenance by City crews. Funds would acquire truck cabs and higher capacity bottom trailers and dump trailers, replacing existing vehicles with lower capacity and increasing productivity by 15% to 20% when fully operational.

□ Use **\$2.574 million** from one-time CPS revenues to purchase and install new Light Emitting Diodes in all of the

City's 1,069 traffic signals, saving the City \$706,600 a year in electricity costs.

Southside Initiative (#63)

□ Set aside **\$300,000** of one-time CPS resources to develop a Public Improvement Plan for transportation and utility infrastructure, and parks and open spaces needs that complement the vision for the Southside Initiative Community Land Use Plan.

Light Industry Development (#69)

□ **\$1.45 million** to support additional one-time contractual services needed by the Brooks Development Authority

and supplement capital resources to construct a drainage culvert on the eastern border of Brooks City-Base to facilitate future development.

□ **\$6.25 million** in one-time CPS revenues for an Economic Development Incentive Fund to make resources available for incentives under criteria to be established to attract large-scale businesses in targeted industries (similar to Toyota) that generate at least 1,000 new jobs.

□ **\$125,000** to support community efforts to protect military facilities and missions

from the next round of base closures.

Employee Health Insurance (#74)

□ **\$8.6 million** of CPS resources be applied toward increasing self-insurance assessments to keep up with rising costs of workers compensation claims and to maintain the current level of health insurance benefits for City employees in FY 2004.

Hunger and Homelessness (#88)

□ A one-time improvement of **\$270,000** to provide 25 pounds of food each for 3,000 disadvantaged senior recipients twice a month in FY 2004.

Capital Budget

□ The FY 2004 Proposed Capital Budget totals **\$406 million**, representing a 25% increase from the 2003 Capital Budget. The increase is a result of more projects within the 1999 Bond Program beginning construction as well as an aggressive airport construction program.

□ The Proposed Six-Year Capital Budget (FY 2004 – FY 2009) totals **\$622.7 million** and contains 304 projects including air transportation improvements, street projects, park projects and drainage improvements. □ The Proposed Budget recommends a **\$115 million** General Obligation Bond program to be brought to voters in November 2003.

Mandated Improvements

The Proposed Budget contains **\$7.7 million** in mandates, which are programs the City must support as required by federal, state, or local law or by contractual obligation.

Patrol (#6)

□ **\$587,448** for contractually required increase in pay as police officers years of service increase.

□ **\$332,420** needed for costs associated with the operation and maintenance of 395 Field Entry Reporting Systems units being installed in FY 2004 as part of the Public Safety Integrated Technology System (PSITS). The system will provide a comprehensive information management system to increase police officer and detective effectiveness while enhancing customer service.

Emergency Medical Services (#15)

□ **\$911,065** for pay increases and other incremental added costs associated

with the collective bargaining agreement with the San Antonio Professional Firefighters Association.

Fire Suppression (#22)

□ **\$3.2 million** for pay increases and other incremental added costs associated with the collective bargaining agreement with the San Antonio Professional Firefighters Association.

Park Security (#32)

□ **\$32,131** to provide partial first year funding for two Park Police Officer positions to effectively patrol new and improved parkland and facilities.

Park Maintenance (#92)

□ **\$228,162** for management and maintenance of Edwards Aquifer Parklands

acquired through Proposition 3.

□ **\$207,038** associated with the Leon Creek Parkland and Salado Creek Parkland projects acquired through Proposition 3 for the maintenance and possible renovation of existing trails and the development of additional trails.

Branch Libraries (#125)

□ **\$259,659** for recurring and one-time operational and staffing costs associated with the Julia Yates Semmes (scheduled to open in January 2005) and Mystic Park Road (scheduled to open in August 2004) branch libraries.

Aquatics Program (#159)

□ **\$59,436** to provide staff for the new LBJ Park/Pool and Skateboard Facility.



Other Funds

Community and Visitor Facilities Fund

The Proposed Budget combines the resources and personnel in the Hotel/Motel Occupancy Tax Funds, the Alamodome Fund and the Wolff Stadium Fund into a new Community and Visitor Facilities Fund. Four facilities (Alamodome, Convention Center, Municipal Auditorium and Wolff Stadium) will be operated, managed and coordinated under this special revenue fund. **\$55.5 million** supports the Alamodome, Convention and Visitors Bureau, Convention Facilities, International Affairs, Cultural Affairs, outside arts agencies and other convention/tourist-related activities.

□ 75 positions in the Convention Facilities Department are proposed to be kept vacant, generating a savings of **\$2.2 million**.

□ The baseline tourism advertising budget will be decreased by **\$400,000**. However, \$400,000 of the remaining Pan Am advertising dollars will be allocated, on a one-time basis, to the FY 2004 advertising budget of \$6 million.

□ The Cultural Affairs Office proposes reducing the funding for outside arts agencies by 3%, generating **\$72,036**.

□ Parking fees at the Alamodome are proposed to increase from \$5 to \$7, generating **\$255,248** in additional revenue.

Aviation Fund

This **\$43.87 million** fund recommends replacing the department's contract for security at International Airport with City employees to ensure enhanced security oversight in accordance with federal security requirements. As a result, adding 12 Parking Enforcement Officer positions will save **\$295,587**.

Golf Fund

□ The **\$6.5 million** fund continues to face fiscal challenges due to unseasonable weather conditions experienced in recent years. Assorted fee increases will raise **\$120,000** and have minimal impact on the competitive position of municipal courses.

□ **\$1.19 million** in reduced expenditures is proposed as a result of restructuring of the City's Golf Operations and the elimination of 47 positions, including 21 filled positions.

Parking Facilities Fund

□ To address future potential shortfalls in the **\$9.6 million** fund, three existing fees will be increased to raise **\$473,177** in revenue including: increased event fees at Marina Garage, HemisFair Garage, Mid-City Garage, and Riverbend Garage; and extending operating hours of parking meters in the central business district.

Self Insurance Funds

□ To offset dramatically increased

costs for employee medical claims and prescriptions in the **\$73.64 million** Employee Benefits Fund, employees will be assessed a \$5 per month assessment for the employee and his/her dependents, generating **\$591,615**. Prescription co-payments also are proposed to be increased.

□ A proposed 11% increase in City department assessments will generate **\$1.36 million** in additional revenue to support shortfalls in the **\$14.1 million** Workers Compensation Fund.

Environmental Services Fund

□ This **\$51.9 million** fund proposes the addition of six positions to address a 12% growth in customers and increased service demands. **\$249,684** in improvements will add four collection route supervisors while **\$92,492** is proposed for the addition of two truck driver positions to support city-wide collection of dead animals within 24 hours of request.

□ The Environmental Services Department plans to initiate a pilot automated collection program in 2004 in an effort to seek greater operating savings and employee safety improvements.

Stormwater Operating Fund

□ The **\$21.18 million** Stormwater Operating Fund is collected through a fee assessed on each water meter in San Antonio and is collected by the San Antonio Water System.

City Employee Perspective

□ Despite a projected \$28.6 million shortfall in FY 2004, every effort was made to minimize the adverse impact of the reductions on the City's employees. However, the Proposed Budget recommends the elimination of **120** authorized positions, **55** are currently filled while **65** are currently vacant.

□ A 2% market salary adjustment is proposed for all civilian employees, at a cost of \$4.83 million in all funds.

□ A one-time salary adjustment of \$1,000 is proposed for every full-time civilian employee and a pro rata share for each part-time employee working for the City on or before October 1, 2002. This enhancement is intended to show appreciation for employees' dedication and commitment to quality work through a difficult fiscal year.

Employees did not receive a market adjustment in 2003 due to fiscal challenges faced by the City.

□ \$4.7 million in added mandated expenditures is proposed to support increased wages and other costs arising from the current collective bargaining agreement with the San Antonio Professional Firefighters Association.

□ \$4 million is set aside to accommodate a potential 3% wage adjustment for police officers pending a collective bargaining agreement currently being negotiated.